

First Extraordinary Session, 2001

HOUSE BILL NO. 2

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BY REPRESENTATIVES DEWITT, MORRELL, AND MURRAY AND
SENATOR HEITMEIER

GAMBLING/RIVERBOAT: Provides for gaming while riverboats are docked
and gaming on permanently moored riverboat vessels

1 AN ACT

2 To amend and reenact R.S. 27:44(23), 65(A), (B)(1), 91(C), and 92(B)(2)(b)
3 to enact R.S. 17:421.7, R.S. 27:44(17.1), 66, 66.1, and 66.2, and to
4 repeal R.S. 27:44(16) and 52(2)(f), relative to riverboat gaming; to
5 authorize licensed riverboats to conduct gaming while the riverboat is
6 docked subject to certain provisions; to provide for gaming on a
7 permanently moored riverboat vessel; to provide for riverboat gaming
8 under certain conditions in the parish of the official gaming
9 establishment and the payment of franchise fees; to provide for
10 definitions; to provide for exceptions; to provide for additional
11 franchise fees; to establish a special fund in the state treasury; to
12 provide for the deposit of certain monies into the fund; to provide for
13 uses of monies in the fund; to provide for applicability; to repeal
14 obsolete provisions authorizing certain local option elections; to repeal
15 certain requirements applicable to riverboat construction; and to
16 provide for related matters.

17 Be it enacted by the Legislature of Louisiana:

18 Section 1. R.S. 17:421.7 is hereby enacted to read as follows:

1 §421.7. Support Education in Louisiana First Fund

2 A. There is hereby established, as a special fund in the state
3 treasury, the Support Education in Louisiana First Fund (the SELF
4 Fund). After compliance with the requirements of Article VII, Section
5 9(B) of the Constitution of Louisiana relative to the Bond Security and
6 Redemption Fund, and after a sufficient amount is allocated from that
7 fund to pay all of the obligations secured by the full faith and credit of
8 the state which becomes due and payable within any fiscal year, the
9 treasurer shall pay an amount equal to the monies received by the state
10 treasury from the avails of the franchise fees charged pursuant to R.S.
11 27:91(C)(2) through (4) and the revenues required to be deposited in
12 the SELF Fund pursuant to R.S. 27:92(B)(2)(b) and R.S. 27:270(A)(3).
13 The monies in this fund shall be used only as provided in Subsection
14 B of this Section and only in the amounts appropriated by the
15 legislature. All unexpended and unencumbered monies in this fund at
16 the end of each fiscal year shall remain in the fund. The monies in this
17 fund shall be invested by the state treasurer in the same manner as
18 monies in the state general fund. Interest earned on the investment of
19 monies in this fund shall be credited to the fund, following compliance
20 with the requirements of Article VII, Section 9(B) relative to the Bond
21 Security and Redemption Fund.

22 B. Monies in the SELF Fund shall be used and expended solely
23 as follows:

24 (1) Seventy percent of the monies in the fund shall be used to
25 provide and support an increase in the salary of certain public pre-
26 kindergarten through twelfth grade certificated personnel as defined in

1 the Annual Profile of Education Personnel Report and for other public
2 pre-kindergarten through twelfth grade classroom teachers.

3 (2) Thirty percent of the monies in the fund shall be used to
4 provide and support public post secondary education faculty salary
5 increases, including related benefits, to be distributed in accordance
6 with a plan developed jointly by the Board of Regents and the Division
7 of Administration.

8 Section 2. R.S. 27:44(23), 65(A), (B)(1), 91(C), and 92(B)(2)(b) are
9 hereby amended and reenacted and R.S. 27:44(17.1), 66, 66.1, and 66.2 are
10 hereby enacted to read as follows:

11 §44. Definitions

12 When used in this Chapter, the following terms shall have these
13 meanings:

14 * * *

15 (17.1) "Permanently moored riverboat vessel" means a floating
16 vessel incapable of self-propulsion and which is out of navigation.

17 * * *

18 (23) ~~"Riverboat"~~ Except as otherwise provided in this Chapter,
19 "riverboat" means a vessel which either of the following:

20 (a) A vessel which complies with all of the following:

21 (i) Carries a valid Certificate of Inspection issued by the United
22 States Coast Guard with regard to the carriage of passengers on
23 designated rivers or waterways within or contiguous to the boundaries
24 of the state of Louisiana.

(b)(ii) Carries a valid Certificate of Inspection from the United States Coast Guard for the carriage of a minimum of six hundred passengers and crew.

(c)(iii) Has a minimum length of one hundred fifty feet.

(d) (iv) Is of such type and design so as to replicate as nearly as practicable historic Louisiana river borne steamboat passenger vessels of the nineteenth century era and is paddlewheel driven. It shall not, however, be a requirement that the vessel be steam-propelled or maintain overnight facilities for its passengers.

(e) ~~Is paddlewheel driven.~~

(b) A permanently moored riverboat vessel.

* * *

§65. Licenses to conduct gaming activities upon riverboats; limitations

A. Notwithstanding any other provisions of law to the contrary, upon application properly submitted and examined, the division may issue up to fifteen licenses to conduct gaming activities on a riverboat, ~~which is of new construction~~ in accordance with the provisions of this Chapter. No more than six licenses may be granted for the operation of gaming activities on riverboats for operation from any one parish.

B. Gaming shall be conducted aboard riverboats, subject to the following requirements:

(1)(a) ~~In~~ Except as otherwise provided in R.S. 27:66, in any parish, except a parish ~~which borders the Red River beginning five miles south of the Kansas City Southern Company/Louisiana Arkansas Crossing Railroad Bridge in Rapides Parish and ending five miles north of the Mid-South Company Railroad Bridge in Caddo Parish~~

1 authorized to conduct gaming pursuant to Subparagraph (b) of this
2 Paragraph, no gaming may be conducted while a riverboat is docked,
3 unless the vessel is docked for less than forty-five minutes between
4 excursions. However, should the master of the riverboat reasonably
5 determine and certify in writing that the weather conditions or the
6 water conditions are such that those conditions, which the master shall
7 specify, present a danger to the riverboat, its passengers, and crew, then
8 the riverboat may remain docked and gaming may take place until such
9 time as the master determines that those conditions have sufficiently
10 diminished to proceed or until the duration of the authorized excursion
11 has expired. A riverboat gaming licensee authorized to conduct gaming
12 pursuant to this Subparagraph shall pay the franchise fee provided in
13 R.S. 27:91(C)(1). If a riverboat gaming licensee is authorized to and
14 elects to transmit a written notification by registered or certified mail,
15 return receipt requested, to the Louisiana Gaming Control Board and
16 the division of the licensee's election to conduct gaming operations
17 while the licensed riverboat is docked pursuant to R.S. 27:66, the
18 licensee shall pay the franchise fee in the amount provided in R.S.
19 27:91(C)(1) and the additional franchise fee in the amount provided in
20 R.S. 27:91(C)(2).

21 (b)(i) For the purposes of this Chapter, on or after September
22 15, 1993, in any parish which borders the Red River beginning five
23 miles south of the Kansas City Southern Company/Louisiana Arkansas
24 Crossing Railroad Bridge in Rapides Parish and ending five miles north
25 of the Mid-South Company Railroad Bridge in Caddo Parish, gaming
26 may be conducted while a riverboat is docked. A riverboat gaming

1 licensee authorized to conduct gaming while a riverboat is docked
2 pursuant to this Subparagraph shall pay the franchise fee in the amount
3 provided in R.S. 27:91(C)(1).

4 ~~(ii) Notwithstanding the provisions of Item (i) of this~~
5 ~~Subparagraph, in any parish which borders the Red River beginning~~
6 ~~five miles south of the Kansas City Southern Company/Louisiana~~
7 ~~Arkansas Crossing Railroad Bridge in Rapides Parish and ending five~~
8 ~~miles north of the Mid-South Company Railroad Bridge in Caddo~~
9 ~~Parish, upon the written request of the mayor and a resolution of the~~
10 ~~city council of a municipality, the governing authorities of these~~
11 ~~parishes may call an election to prohibit gaming while a riverboat is~~
12 ~~docked in their parish. Except as otherwise provided in this~~
13 ~~Subsection, such an election shall be conducted as provided in Chapter~~
14 ~~6-B of Title 18 of the Louisiana Revised Statutes of 1950 and may be~~
15 ~~held not later than October 16, 1993.~~

16 ~~(iii) In the parishes of Bossier and Caddo, a written request~~
17 ~~must be obtained from either the mayor and the city council of~~
18 ~~Shreveport or the mayor and city council of Bossier City, and~~
19 ~~thereafter, the governing authority of either city may call a citywide~~
20 ~~election to prohibit gaming while a riverboat is docked in that city, as~~
21 ~~provided in Item (ii) of this Subparagraph, and must be passed by a~~
22 ~~majority vote in the city holding the election. Except as otherwise~~
23 ~~provided in this Subsection, such an election shall be conducted as~~
24 ~~provided in Chapter 6-B of Title 18 of the Louisiana Revised Statutes~~
25 ~~of 1950 and may be held not later than October 16, 1993.~~

(iv) ~~Should the electors petition for an election as provided in Subsection B of this Section, the petition shall be in substantially the following form:~~

PETITION TO

The undersigned qualified electors respectfully request that you call an election to submit, in the manner provided by law to the qualified electors of the _____ of _____, the following proposition: "Shall gaming while a riverboat is docked, be prohibited in _____."

(c) Gaming may be conducted on a permanently moored riverboat vessel as authorized by R.S. 27:66.1. A riverboat gaming licensee authorized to conduct gaming on a permanently moored riverboat vessel pursuant to R.S. 27:66.1 shall pay the franchise fee in the amount provided in R.S. 27:91(C)(1) and the additional franchise fee in the amount provided in R.S. 27:91(C)(3) or (4).

* * *

§66. Gaming conducted while a riverboat is docked

A. A riverboat gaming licensee, except a riverboat gaming licensee authorized to conduct gaming while a riverboat is docked pursuant to R.S. 27:65(B)(1)(b) or a riverboat to the extent authorized by the provisions of R.S. 27:66.2, may conduct gaming while the riverboat is docked by complying with all of the following:

(1) Transmitting by registered or certified mail, return receipt requested, written notification to the Louisiana Gaming Control Board and the division of the licensee's election to conduct gaming while the riverboat is docked. The notice shall specify the commencement date

1 when the riverboat gaming operations conducted while the riverboat is
2 docked will begin and shall be transmitted no less than thirty days prior
3 to the date such operations will begin.

4 (2) The licensee shall pay the franchise fee in the amount
5 provided in R.S. 27:91(C)(1) and the additional franchise fee in the
6 amount provided in R.S. 27:91(C)(2). The licensee shall begin paying
7 the additional franchise fee in the amount provided in R.S. 27:91(C)(2)
8 on the date when the riverboat gaming operations conducted while the
9 riverboat is docked will begin as set forth in the written notification
10 required by Paragraph (1) of this Subsection. After the licensee begins
11 paying the additional franchise fee in the amount provided in R.S.
12 27:91(C)(2), no reduction in the franchise fee shall be permitted
13 regardless of whether the licensee elects to conduct cruises or
14 excursions at any future date.

15 B. A riverboat gaming licensee authorized to conduct gaming
16 while a riverboat is docked shall be subject to all other applicable
17 provisions of law and rules and regulations which govern riverboat
18 gaming which are not inconsistent with the provisions of this Section.

19 C. Gaming while a riverboat is docked conducted on a riverboat
20 located in the parish of the official gaming establishment shall be
21 governed by the provisions of this Section and the provisions of R.S.
22 27:66.2. A riverboat gaming licensee authorized to conduct gaming
23 while a riverboat is docked in the parish of the official gaming
24 establishment pursuant to the provisions of R.S. 27:66.2 shall pay the
25 franchise fee in the amount provided in R.S. 27:91(C)(1) and the
26 additional franchise fee in the amount provided in R.S. 27:91(C)(4).

1 §66.1. Riverboat gaming operations conducted on a permanently
2 moored riverboat vessel

3 A. A permanently moored riverboat vessel shall meet all of the
4 following requirements:

5 (1) Have a maximum designated gaming space of thirty
6 thousand square feet.

7 (2) Have a minimum length of one hundred fifty feet.

8 B. A riverboat gaming licensee may conduct gaming on a
9 permanently moored riverboat vessel by complying with all of the
10 following:

11 (1) Transmitting by registered or certified mail, return receipt
12 requested, written notification to the Louisiana Gaming Control Board
13 and the division of the licensee's election to conduct gaming on a
14 permanently moored riverboat vessel, which notification must be
15 transmitted not less than thirty days prior to the date such gaming
16 operations begin.

17 (2) The licensee shall pay the franchise fee in the amount
18 provided in R.S. 27:91(C)(1) and the additional franchise fee in the
19 amount provided in R.S. 27:91(C)(3). The licensee shall begin paying
20 the additional franchise fee in the amount provided in R.S. 27:91(C)(3)
21 on the date gaming operations on the permanently moored riverboat
22 vessel commence.

23 C. The decision to conduct gaming on a permanently moored
24 riverboat vessel shall be irrevocable, effective on the date gaming
25 operations on the permanently moored riverboat vessel commence.

1 D.(1) For purposes of this Chapter, a permanently moored
2 riverboat vessel shall not be required to carry a valid certificate of
3 inspection issued by the United States Coast Guard. The permanently
4 moored riverboat vessel shall comply with the laws, ordinances,
5 regulations, building codes, and any other requirements governing the
6 construction, safety, and inspection standards for buildings and land
7 structures.

8 (2) In addition to the requirements of Paragraph (1) of this
9 Subsection, the permanently moored riverboat vessel shall be
10 maintained at safety and employee training standards as are required by
11 the United States Coast Guard for such vessels and shall comply with
12 all other applicable United States Coast Guard rules and regulations.

13 (3) The licensee at its expense shall cause to be conducted
14 quarterly an inspection of the permanently moored riverboat vessel for
15 compliance with the safety and employment standards as are required
16 by the United States Coast Guard for such vessels including but not
17 limited to hull integrity. The inspector shall certify to the Louisiana
18 Gaming Control Board that the permanently moored riverboat vessel is
19 in compliance with the applicable standards not inconsistent with this
20 Section required by this Chapter. The inspections shall be conducted
21 by a person who has credentials equivalent to those required for United
22 States Coast Guard inspections for issuance and maintenance of a
23 Certificate of Inspection.

24 (4) Notwithstanding the provisions of Paragraphs (1) through
25 (3) of this Subsection, or any other provision of law to the contrary, the
26 Louisiana Gaming Control Board or the state of Louisiana shall have

1 no liability and shall be immune from liability to any person for any
2 injury or loss or damage occurring on or related to any riverboat,
3 including a permanently moored riverboat vessel.

4 (5) Nothing in this Section shall be construed to limit the
5 authority of the United States Coast Guard with regard to permanently
6 moored riverboat vessels.

7 E. A riverboat gaming licensee authorized to conduct gaming
8 on a permanently moored riverboat vessel shall be subject to all other
9 applicable provisions of law and rules and regulations which govern
10 riverboat gaming, not inconsistent with the provisions of this Section.

11 F. Gaming conducted on a permanently moored riverboat vessel
12 located in the parish of the official gaming establishment shall be
13 governed by the provisions of this Section and the provisions of R.S.
14 27:66.2. A riverboat gaming licensee authorized to conduct gaming on
15 a permanently moored riverboat vessel in the parish of the official
16 gaming establishment pursuant to the provisions of R.S. 27:66.2 shall
17 pay the franchise fee in the amount provided in R.S. 27:91(C)(1) and
18 the additional franchise fee in the amount provided in R.S. 27:91(C)(4).

19 §66.2. Gaming while a riverboat is docked or on a permanently
20 moored riverboat vessel in the parish of the official gaming
21 establishment

22 A. Notwithstanding any provision in this Chapter to the
23 contrary, for purposes of this Section any riverboat licensed to conduct
24 gaming in the parish of the official gaming establishment, except a
25 riverboat, including a permanently moored riverboat vessel, as provided
26 in Subsection B of this Section, shall not be permitted to conduct

1 gaming while docked or moored and shall be required to conduct
2 cruises and excursions as provided in R.S. 27:65(B)(1) as in effect
3 January 1, 1997, and shall, in addition, meet the requirements of R.S.
4 27:44(4) and R.S. 27:44(23)(c) and (d) as in effect January 1, 1997.

5 B. Notwithstanding any provision in this Chapter to the
6 contrary, the provisions of R.S. 27:65(B)(1)(a) and R.S. 27:66 shall
7 apply to not more than one licensed riverboat, including a permanently
8 moored riverboat vessel, at any time which must be located on Lake
9 Pontchartrain in the parish of the official gaming establishment as
10 defined in R.S. 27:203 and 205(26) if and only if:

11 (1) Such riverboat, including a permanently moored riverboat
12 vessel, conducts gaming activities in an area not exceeding thirty
13 thousand square feet in the aggregate;

14 (2) The owner or operator of such riverboat, including a
15 permanently moored riverboat vessel, does not participate directly or
16 indirectly in the ownership, construction, operation, or subsidization of
17 any hotel of a size exceeding three hundred ninety-nine guest rooms
18 within a distance of one mile from the berthing area of the licensed
19 riverboat; and

20 (3) Such riverboat, including a permanently moored riverboat
21 vessel, does not maintain or offer for patron or public use on the vessel
22 or at its terminal, berthing area, or any hotel referred to above, more
23 than eight thousand square feet of restaurant facilities in the aggregate,
24 exclusive of food preparation and handling area.

25 C. In the event the riverboat, including a permanently moored
26 riverboat vessel, referred to in Subsection B of this Section violates any

1 of the restrictions set forth in Paragraphs (1), (2), and (3) of Subsection
2 B of this Section, no gaming may be conducted as long as such
3 violation continues.

4 D. Notwithstanding the provisions of Subsections B and C of
5 this Section, if the official gaming establishment is not subject to the
6 Amended and Renegotiated Casino Operating Contract among the state
7 of Louisiana by and through the Louisiana Gaming Control Board,
8 Harrah's Jazz Company and Jazz Casino Company, L.L.C., effective as
9 of October 30, 1998, as amended, and is not subject to any other casino
10 operating contract as defined in R.S. 27:205(6) which contains
11 exclusivity provisions in accordance with R.S. 27:201 et seq., any
12 riverboat licensed in the parish of the official gaming establishment
13 may conduct gaming activities in compliance with the provisions of
14 Subsection B of this Section without adhering to the restrictions set
15 forth in Paragraphs (1) through (3) of Subsection B of this Section.

16 E. A riverboat gaming licensee authorized to conduct gaming
17 while the riverboat is docked or on a permanently moored riverboat
18 vessel in the parish of the official gaming establishment shall be subject
19 to all other applicable provisions of law, rules, and regulations which
20 govern riverboat gaming, not inconsistent with the provisions of this
21 Section.

22 * * *

23 §91. Fees for issuance of licenses and permits

24 * * *

1 C.(1) A franchise fee shall be charged for the right to ~~operate~~
2 ~~on Louisiana waterways~~ conduct gaming activities on a riverboat at an
3 annual amount equal to fifteen percent of net gaming proceeds.

4 (2) In addition to the franchise fee authorized in Paragraph
5 (C)(1) of this Section, a franchise fee at an annual amount equal to
6 three percent of net gaming proceeds shall be charged for the right to
7 conduct gaming while the riverboat is docked, pursuant to the
8 provisions of R.S. 27:66.

9 (3) In addition to the franchise fee provided in Paragraph (C)(1)
10 of this Section, a franchise fee at an annual amount equal to five
11 percent of net gaming proceeds shall be charged for the right to conduct
12 gaming on a permanently moored riverboat vessel, pursuant to the
13 provisions of R.S. 27:65(B)(1)(c) and R.S. 27:66.1.

14 (4)(a) In addition to the franchise fee provided in Paragraph
15 (C)(1) of this Section, a riverboat gaming licensee conducting gaming
16 while the riverboat is docked under the provisions of R.S. 27:66.2 shall
17 pay a franchise fee or fees as follows:

18 (i) For any month in which a licensee receives net gaming
19 proceeds of less than six million dollars, the licensee shall pay the
20 franchise fee as provided in Paragraph (C)(1) of this Section and shall
21 not be required to pay an additional franchise fee.

22 (ii) For any month in which a licensee receives net gaming
23 proceeds of at least six million dollars but less than eight million
24 dollars, the licensee shall pay the franchise fee as provided in
25 Paragraph (C)(1) of this Section and an additional franchise fee equal
26 to two percent of net gaming proceeds for that month.

1 (iii) For any month in which a licensee receives net gaming
 2 proceeds of eight million dollars or more, the licensee shall pay the
 3 franchise fee as provided in Paragraph (C)(1) of this Section and an
 4 additional franchise fee equal to three percent of net gaming proceeds
 5 for that month.

6 (b) In addition to the franchise fee provided in Paragraph (C)(1)
 7 of this Section, a riverboat gaming licensee conducting gaming on a
 8 permanently moored riverboat vessel operating under the provisions of
 9 R.S. 27:66.2 shall pay a franchise fee of an annual amount equal to five
 10 percent of net gaming proceeds.

11 * * *

12 (5) A riverboat gaming licensee conducting gaming while the
 13 riverboat is docked shall not be required to pay an additional franchise
 14 fee under the provisions of Paragraph (3) or (4)(b) of this Subsection.
 15 A riverboat gaming licensee conducting gaming on a permanently
 16 moored vessel shall not be required to pay an additional franchise fee
 17 under the provisions of Paragraph (2) or (4)(a) of this Subsection.

18 * * *

19 §92. Collection and disposition of fees

20 * * *

21 B.

22 * * *

23 (2) After complying with the provisions of Paragraph (1) of this
 24 Subsection, the state treasurer shall, each fiscal year, credit the
 25 following amounts to the following funds:

26 * * *

(b)(i) ~~The~~ Except as provided in Item (ii) of this Subparagraph,
the franchise fee paid pursuant to R.S. 27:91(C)(1) to the state general
fund.

(ii) Fifteen percent of the franchise fee paid pursuant to R.S.
27:91(C)(1) which is attributable to any riverboat gaming licensee
which pays additional franchise fees pursuant to the provisions of R.S.
27:91(C)(2) through (4) to the Support Education in Louisiana First
Fund as provided in R.S. 17:421.7.

(iii) Fifteen percent of the license fee paid pursuant to R.S.
27:91(B)(2) which is attributable to any riverboat gaming licensee
which pays additional franchise fees pursuant to the provisions of R.S.
27:91(C)(2) through (4) to the Support Education in Louisiana First
Fund as provided in R.S. 17:421.7.

(iv) The franchise fees paid pursuant to R.S. 27:91(C)(2)
through (4) to the Support Education in Louisiana First Fund as
provided in R.S. 17:421.7.

* * *

Section 3. R.S. 27:44(16) and 52(2)(f) are hereby repealed in their
entirety.

Section 4. Nothing contained in this Act is intended or shall be
construed to violate or supersede the provisions of R.S. 27:241(H) or any of
the protection, conditions, obligations, requirements, provisions, or terms of
the Casino Operating Contract governing exclusivity of the land-based casino
in Orleans Parish.

Section 5. The provisions of this Act are hereby declared to be
nonseverable.

1 Section 6. This Act shall become effective upon signature by the
2 governor or, if not signed by the governor, upon expiration of the time for bills
3 to become law without signature by the governor, as provided in Article III,
4 Section 18 of the Constitution of Louisiana. If vetoed by the governor and
5 subsequently approved by the legislature, this Act shall become effective on
6 the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

DeWitt, et al.

HB No. 2

Abstract: Authorizes licensed riverboats to elect to conduct gaming while the riverboat is docked. Requires riverboats electing to conduct gaming while the riverboat is docked to pay an additional franchise fee of 3% of net gaming proceeds, except for riverboats located on portions of the Red River. Provides for riverboat gaming to be conducted on a permanently moored riverboat vessel upon payment of an additional franchise fee of 5% of net gaming proceeds. Provides that 70% of the revenues generated from the additional franchise fees shall be used for Pre-K through 12 teacher pay increases and 30% of the revenues, for postsecondary education faculty pay increases.

Proposed law authorizes a riverboat licensee to elect to conduct gaming while a riverboat is docked. Requires payment of an additional franchise fee of 3% of net gaming proceeds. Requires notice to Louisiana Gaming Control Board and state police, riverboat gaming enforcement division. (R.S. 27:66)

Proposed law authorizes gaming to be conducted on a permanently moored riverboat vessel upon election to conduct gaming on a permanently moored riverboat vessel by riverboat gaming licensee and payment of additional franchise fee of 5% of net gaming proceeds. (R.S. 27:66.1)

Proposed law provides for gaming conducted while a riverboat is docked or on a permanently moored vessel in the parish of the official gaming establishment. (R.S. 27:66.2)

Present law provides that the license fee to conduct gaming activities on a riverboat shall be the total of the following:

- (1) \$50,000 for each riverboat for the first year of operation and \$100,000 per year per riverboat thereafter. The license fee shall be due at the beginning of each year.

- (2) An amount equal to 3.5% of net gaming proceeds.

Proposed law retains these provisions of present law.

Present law provides a franchise fee shall be charged for the right to operate on Louisiana waterways at an annual amount equal to 15% of net gaming proceeds.

Proposed law deletes provision regarding the right to operate on Louisiana waterways and otherwise retains present law.

Proposed law provides that riverboat gaming licensees conducting gaming while the riverboat is docked in portions of the Red River shall continue to pay the franchise fee at an amount equal to 15% of net gaming proceeds.

Proposed law provides for the following:

- (1) An additional franchise fee at an annual amount equal to 3% of net gaming proceeds shall be charged for the right to conduct gaming while the riverboat is docked in all areas except the portions of Red River which are authorized to conduct gaming while a riverboat is docked under present law.
- (2) An additional franchise fee at an annual amount equal to 5% of net gaming proceeds shall be charged for the right to conduct gaming on a permanently moored riverboat vessel.
- (3) For a riverboat operating in the parish of the official gaming establishment a franchise fee or fees as follows:
 - (a) For any month in which a licensee receives net gaming proceeds of less than \$6,000,0000, the licensee shall pay the franchise fee at an amount equal to 15% of net gaming proceeds and shall not be required to pay an additional franchise fee.
 - (b) For any month in which a licensee receives net gaming proceeds of at least \$6,000,000 but less than \$8,000,000, the licensee shall pay the fee the franchise fee at an amount equal to 15% of net gaming proceeds and an additional franchise fee equal to 2% of net gaming proceeds for that month.
 - (c) For any month in which a licensee receives net gaming proceeds of \$8,000,000 or more, the licensee shall pay the franchise fee at an amount equal to 15% of net gaming proceeds and an additional franchise fee equal to 3% of net gaming proceeds for that month.

Proposed law further provides that a riverboat gaming licensee conducting gaming on a permanently moored riverboat vessel operating in the parish of the official gaming establishment shall pay a franchise fee of an annual amount equal to 5% of net gaming proceeds.

Proposed law provides with regard to a permanently moored riverboat vessel that a permanently moored riverboat vessel shall not be required to carry a valid certificate of inspection issued by the United States Coast Guard. The permanently moored riverboat vessel shall comply with the laws, ordinances, regulations, building codes, and any other requirements governing the construction, safety, and inspection standards for buildings and land structures.

Proposed law shall not be construed to limit the authority of the United States Coast Guard with regard to permanently moored riverboat vessels.

Proposed law further provides that the permanently moored riverboat vessel shall be maintained at safety standards as are required by the United States Coast Guard for such vessels and with all other applicable United States Coast Guard rules and regulations.

Proposed law provides that the licensee at its expense shall cause to be conducted annually an inspection of the permanently moored riverboat vessel. The inspector shall certify to the Louisiana Gaming Control Board that the permanently moored riverboat vessel is in compliance with the standards required by this Section. The inspections shall be conducted by a person who has credentials equivalent to those required for United States Coast Guard inspections for issuance and maintenance of a Certificate of Inspection.

Proposed law provides that the Louisiana Gaming Control Board or the state of Louisiana shall have no liability and will be immune from liability to any person for any injury or loss or damage occurring on or related to any riverboat, including a permanently moored riverboat vessel.

Proposed law establishes the Support Education in Louisiana First Fund (SELF Fund) in the state treasury. Provides that 70% of the revenues generated from the additional franchise fees shall be used for Pre-K through 12 teacher pay increases and 30% of the revenues for higher education faculty pay increases (R.S. 17:421.7). Further specifies the allocation of revenues collected by the franchise fees (R.S. 27:92(B)(2)(b)).

Proposed law is not intended or to be construed to violate or supersede the provisions of R.S. 27:241(H) or any of the protection, conditions, obligations, requirements, provisions, or terms of the Casino Operating Contract governing exclusivity of the land-based casino in Orleans Parish.

Proposed law is declared to be nonseverable.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 27:44(23), 65(A), 65(B)(1), 91(C), and 92(B)(2)(b); Adds R.S. 17:421.7 and R.S. 27:44(17.1), 66, 66.1, and 66.2; Repeals R.S. 27:44(16) and 52(2)(f))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Administration of Criminal Justice to the original bill.

1. Provides that both safety and employee training standards for permanently moored riverboat vessels shall be maintained at safety standards as are required by United States Coast Guard.
2. Changes inspections on a permanently moored riverboat vessel from annually to quarterly.
3. Provides that standards are those as are required by the United States Coast Guard for permanently moored riverboat vessels including but not limited to hull integrity.
4. Makes clear that riverboats conducting gaming while docked pay a 3% increased franchise fee and riverboat licensees conducting gaming on permanently moored riverboat vessels pay a 5% increased franchise fee.
5. Provides that proposed law shall not be construed to limit the authority of the United States Coast Guard with regard to permanently moored riverboat vessels.

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BY REPRESENTATIVE DEWITT, ET AL.

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